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RUEHPE/AMEMBASSY LIMA 2615
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RUEHQT/AMEMBASSY QUITO 5116
RUEHSG/AMEMBASSY SANTIAGO 9706
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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 001351

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SUBJECT: AMBASSADOR AND PRESIDENT MORALES INAUGURATE TUNNEL
LIGHTING

Classified By: Amb. Philip S. Goldberg for reasons 1.4 (b) and (d).

SUMMARY

11. (C) President Evo Morales and the Ambassador inaugurated a USAID-sponsored tunnel illumination system along the Cochabamba - Santa Cruz road on May 10. President Morales thanked the United States for its assistance while underscoring his oft-repeated insistence that "any assistance be unconditional." At a cordial lunch after the lighting ceremony, the president told the Ambassador that the GOB's negotiation for the Petrobras refineries was an example of Bolivia "asserting itself." Morales called the popular election of prefects "a mistake" and said the current electoral system guarantees there will be problems between the president and the prefects. Later, the Ambassador pointed out that the U.S.-Bolivia bilateral investment treaty (BIT) contains legal provisions governing termination. The president claimed no knowledge of the subject and suggested that the USG take the issue up with the foreign minister. End summary.

AMBASSADOR AND PRESIDENT LIGHT TUNNELS

12. (U) The Ambassador and President Evo Morales participated in a May 10 inauguration ceremony to illuminate two tunnels located in El Sillar, an area along the economically strategic road that links Cochabamba and Santa Cruz. USAID contributed \$165,000 to the project. Vice Minister of Social Defense Felipe Caceres, Vice Minister of Coordination with Social Movements Sacha Llorenti, and USAID Director Michael Yates attended the event. The Ambassador stressed that the USG has been working with Bolivia for over sixty years and that the two countries continue to be partners. President Morales thanked the United States for its assistance while underscoring his oft-repeated preference that "any assistance be unconditional." The president added

that he hopes "cooperation agreements can be improved to avoid the plundering of our natural resources."

A QUICK LUNCHEON

13. (C) The Ambassador and the president lunched at a trout restaurant (one of Morales' favorites) immediately after the tunnel ceremony. During the forty-five minute lunch, the president told the Ambassador that the GOB's negotiation for the Petrobras refineries was an example of Bolivia "asserting itself." Morales called the popular election of prefects "a mistake" and said the current electoral system guarantees there will be problems between the president and the prefects. Touching on the GOB's recent announcement that it will renegotiate BITs with twenty-two countries, the Ambassador pointed out that the U.S.-Bolivia BIT will remain in force until 2011, and will continue in force until one year after a party provides the other with written notification of termination. The president claimed no knowledge of the subject and suggested the matter be taken up with the foreign minister.

COMMENT

14. (C) The president looked tired and, in keeping with his usual hectic pace, was in a hurry. That morning he had a meeting with visiting Cuban Foreign Minister Roque, and that evening, he was scheduled to address the nation to announce

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the GOB's heavy handed purchase of the Petrobras refineries. President Morales was cordial, although his public comments revisited his insistence that any assistance be "unconditional." End Comment.
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